## A Research Proposal

for

## HITACHI DATA SYSTEMS

## COMPETITIVE PROPOSAL ANALYSIS

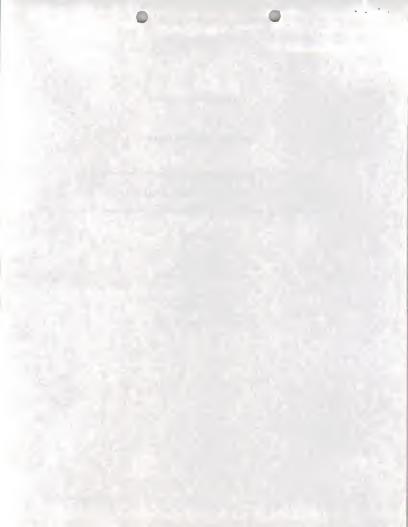
Prepared by

## INPUT

1280 Villa Street Mountain View, CA 94041

> 415-961-3300 415-961-3966 (Fax)

Revision 1, August 20, 1992



Research Consulting Proposal - August 20, 1992

## COMPETITIVE PROPOSAL ANALYSIS For: Hitachi Data Systems

## BACKGROUND AND OBJECTIVES

## Background

The U.S. market for computer hardware and related services is increasingly competitive. Hitachi Data Systems (HDS), a premier supplier in both the full system and DASD market segments, finds itself in very competitive bidding situations in both of these markets. Field feedback indicates that Hitachi's pricing and competitors' discounting practices are the major factor contributing to lost bids. Hitachi would like to gain a more objective and quantified assessment of just what factors work for and against them in competitive situations, and has asked INPUT to develop a field research proposal that would meet the following objectives:

#### B. Objectives

- Determine the discriminating factors that are primary in making the difference between a "win" and "lose" situation for Hitachi.
- Quantify the difference between Hitachi's and the winning or losing proposer's price.
  - Provide analysis and recommendations as to what Hitachi's strategy should be to increase its bidding success rate.

## SCOPE

- Given the difficulty of obtaining accurate competitive pricing information through traditional research techniques, INPUT proposes that the initial engagement be limited to a pilot study analyzing 20 competitive situations to certify the proposed methodology. Assuming certification of the approach, a follow-on proposal will be developed expanding the sample to obtain statistically significant results.
- The sample for the pilot will be restricted to bidding situations that took place in the United States and Canada
- · Even though pricing appears to be the primary consideration according to field sales feedback, INPUT will attempt to determine the influence of other factors such as bundled services. software and support on the evaluation process.







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## METHODOLOGY

INPUT will utilize telephone interviews to obtain the field data required to perform the proposed analysis. As indicated under SCOPE, a sample of 20 companies will be interviewed for the pilot. INPUT will attempt to balance the sample in terms of "won" and "lost" situations, and anticipates that it will require a minimum of 2 interviews per company to obtain the required information. To facilitate the interview process Hitachi will provide INPUT with the names and initial contact points of a minimum of 50 firms (bidding situations) in which a decision was reached by Hitachi's prospect within the last six months. To the extent possible the bidding situations provided should be balanced between "wins" and "losses". The information provided by Hitachi would include:



- · Name address and telephone number of the primary contact point
- Names and telephone numbers of any other contacts relevant to the bid (as available)
- A description of the package of products and services included in the bid

The actual project will proceed as follows:

- INPUT will prepare an interview guide designed to meet the study objectives for review with Hitachi. The interview guide will contain both open-ended and structured questions. In addition to capturing the appropriate demographic information, the interview guide will focus on the following aspects of the prospect/client's evaluation process.
  - Pre-proposal communications
  - Proposal content (did it meet client expectations)
  - Soft evaluation criteria (technical, support, and service)
  - Post-proposal/pre-decision support
  - Pricing
  - Differentiators in the competitor's offering
  - The utilization of outside consultants in the evaluation process

An attempt will be made to get "hard" data on actual competitive prices. However, it is more likely that interviewees will be inclined to respond by citing percentage differences between Hitachi's and its competitors' prices.

- Hitachi will review the interview guide and INPUT will make any appropriate adjustments to meet Hitachi's requirements.
- A minimum of 10 interviews will be conducted to determine the viability of the process.
   INPUT's project manager will analyze the results of this preliminary interview set and meet with Hitachi to discuss any recommended changes to either the interview guide or the process.
   Assuming a go-ahead, the remaining interviews will be conducted.





 INPUT will prepare a 5 to 10 page analysis of the pilot results, and meet with Hitachi to review the results of the pilot study.

#### DELIVERABLES

- Formal interview guide for obtaining the field data required for the analysis
- Mid-project review of results to date, including recommendations for changes in the approach
  or interview structure. The midpoint review will also include a tabulation of the results to
  date cross-tabbed by respondent, industry group, company size, competitors involved and
  class of product bid.
- Written report analyzing the data obtained and recommendations for changes Hitachi can
  make in competitive situations to minimize the number of lost bids.
- · On-site presentation of the report and recommendations
- A list identifying interviewees. (This will be done on a best-efforts basis. Interviewees will be asked if their names may be given to INPUT's client.)

## **FEES AND SCHEDULES**

#### A. Fees

INPUT's total fee for the pilot study is \$12,000; \$6,000 payable upon authorization. Assuming that a go-ahead occurs after the first ten interviews have been completed, the remaining fee of \$6,000 will be due upon completion of the study report and presentation of the results to Hitachi Data Systems. In the event the project is abandoned at the mid-project review, the total fees will be \$6,000 plus incidental expenses as described below.

Other incidental costs associated with field research studies (including telephone, reproduction, etc.) will be billed at cost and are estimated to be less than 5% of the total project fee of \$12,000.

- Schedules INPUT proposes the following schedule for completion of the project.
- 9/3/92 Preliminary Review of Ouestionnaire (Hitachi/INPUT)
- 9/10/92 Questionnaire finalized, interview prospects turned over to INPUT by Hitachi
- 9/17/92 Midpoint project review
- 9/31/92 Presentation of study results

Note: The above schedule assumes project authorization by Hitachi by no later than August 24, 1992



### QUALIFICATIONS/STAFFING

## A. Qualifications

INPUT is well qualified to assist Hitachi Data Systems in providing the desired information. As a leading market research and consulting firm to the information services industry, INPUT has 17 years of experience in analyzing markets, vendor strategies, user requirements and customer satisfaction. More specifically, INPUT has conducted both custom and syndicated field research on the pricing strategies of professional services and other information services vendors.

INPUT's internal interviewing staff conducts over 6,000 user interviews a year with information systems and operating executives of buying firms. They are knowledgeable about the industry and well-trained in obtaining issue and opinion-related information in addition to statistical data.

Hitachi has utilized INPUT in previous custom engagements to obtain mission critical information of a proprietary nature.

### B. Staffing

This engagement will be under the overall direction of R. Dennis (Denny) Wayson, Vice President and General Manager of INPUT. Senior INPUT interviewers with significant experience in the mainframe computer industry will be utilized to conduct the interviews for this project.

#### CONFIDENTIALITY

As a requirement for meeting the study objectives, Hitachi agrees to provide INPUT with contact names from which to develop the interview sample. INPUT agrees that the contact names and related information about specific competitive situations is the sole property of Hitachi Data Systems and may not be used or disclosed by INPUT to any person outside Hitachi Data Systems.

Furthermore, INPUT agrees that the results of the study research along with conclusions and recommendations are the property of Hitachi Data Systems, and may not be disclosed or published by INPUT for any other client than Hitachi Data Systems.

#### DURATION OF THIS PROPOSAL'S VALIDITY

This proposal will remain valid for a period of 15 days.

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## AUTHORIZATION

Authorization of this project may be completed by signing and returning a copy of the proposal to INPUT, together with the initial payment of \$6,000. Upon acceptance by INPUT, a countersigned copy of the proposal will be returned to Hitachi Data Systems.

INPUT	HITACHI DATA SYSTEMS			
Signature	Signature			
Name	Name			
Title	Title			
Date	Date			

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Eltachi Bate Systems 750 Central Expressway Santa Clara, CA 95054.0996 Telephone 408.970.1000 Telex 4979291

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## COMPETITIVE PROPOSAL ANALYSIS

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Revision & August 13, 1992

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To: Sally Slatton From: R. Dennis Wayson

Competitive Proposal Analysis - Hitaahi Data Systems

METHODOLOGY

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To: Sally Station From: A Dennis Wayson

Page 6

Competitive Proposal Analysis - Hetachi Data Systems

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## **DELIVERABLES**

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Written report analyzing the data obtained and recommendations for the continuation of the project and changes thitachican make in competitive Situations On-site presentation of the report and recommendations minimize the number of

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## FEES AND SCHEDULES

#### Fees

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Schedules - To be mutually determined by Hitachi Data Systems and INPUT. B

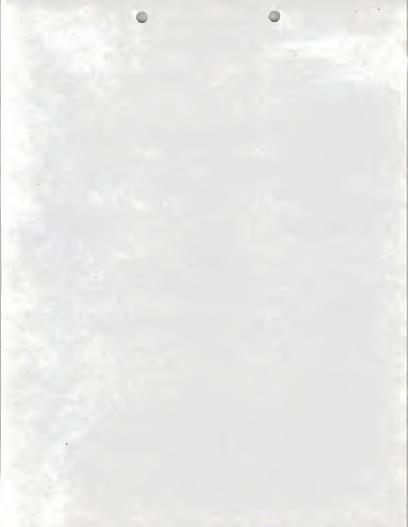
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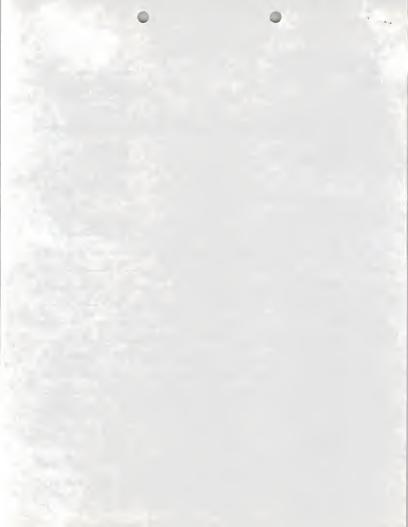


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Elizabi Bate Systems 750 Central Expressway Santa Clara, CA 95054.0996 Telephone 408.970.1000 Telex 4979291

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To: Sally Station From: R Dennis Wayson

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## HITACHI DATA SYSTEMS

COMPETITIVE PROPOSAL ANALYSIS

Prepared by

## **INPUT**

1280 Villa Street Mountain View, CA 94041

415-961-3300

Revision 8, August 13, 1992



Research Consulting Proposal - August 13, 1992

## COMPETITIVE PROPOSAL ANALYSIS For: Hitachi Data Systems

#### BACKGROUND AND OBJECTIVES

## A. Background

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Competitive Proposed Analysis - Hitachi Data Systems

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Saily Statton Director of Market and Customer Analysis

Hitachi Data Systems 750 Central Expressway MS 32/06 Post Office Box 54996 Santa Clara, CA 95056.0996 Telephone 408 970.1067 Fax 408.748.8451



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INPUT will prepare a 5 to 10 page analysis of the pilot results, and meet with Hitachi to
review the results of the pilot study.

#### DELIVERABLES

- · Formal interview guide for obtaining the field data required for the analysis
- Mid-project review of results to date, including recommendations for changes in the approach
  or interview structure
- Written report analyzing the data obtained and recommendations for the continuation of the project
- · On-site presentation of the report and recommendations
- A list identifying interviewees. (This will be done on a best-efforts basis. Interviewees will be asked if their names may be given to INPUT's client.)

#### FEES AND SCHEDULES

#### A. Fees

INPUT's total fee for the pilot study is \$12,000; \$8,000 payable upon authorization. Assuming that a go-ahead occurs after the first ten interviews have been completed, the remaining fee of \$4,000 will be due upon completion of the study report and presentation of the results to Hitachi Data Systems. In the event the project is abandoned at the mid-project review, the total fees will be \$8,000 plus incidental expenses as described below.

Other incidental costs associated with field research studies (including telephone, reproduction, etc.) will be billed at cost and are estimated to be less than 5% of the total project fee of \$12,000.

B. Schedules - To be mutually determined by Hitachi Data Systems and INPUT.

#### QUALIFICATIONS/STAFFING

#### A. Qualifications

INPUT is well qualified to assist Hitachi Data Systems in providing the desired information. As a leading market research and consulting firm to the information services industry, INPUT has 17 years of experience in analyzing markets, vendor strategies, user requirements and customer satisfaction. More specifically, INPUT has conducted both custom and syndicated field research on the pricing strategies of professional services and other information services vendors.

INPUT's internal interviewing staff conducts over 6,000 user interviews a year with information systems and operating executives of buying firms. They are knowledgeable about the industry and well-trained in obtaining issue and opinion-related information in addition to statistical data.

Hitachi has utilized INPUT in previous custom engagements to obtain mission critical information of a proprietary nature.

#### B. Staffing

This engagement will be under the overall direction of R. Dennis (Denny) Wayson, Vice President and General Manager of INPUT.

#### DURATION OF THIS PROPOSAL'S VALIDITY

This proposal will remain valid for a period of 15 days.

#### AUTHORIZATION

Authorization of this project may be completed by signing and returning a copy of the proposal to INPUT, together with the initial payment of \$8,000. Upon acceptance by INPUT, a countersigned copy of the proposal will be returned to Hitachi Data Systems.

AUTHORIZED BY: INPUT	ACCEPTED BY: HITACHI DATA SYSTEMS
Signature	Signature
Name	Name
Title	Title
Date	Date



### PROJECT WORK STATEMENT

TITLE COMPETITIVE PROPOSAL ANALYSIS  CLIENT HITACHI DATA SYSTEMS  CONTRACT: ATTACHED TO FOLLOW LETTER VERBAL  PROJECT LEADER Denny Wayson PROJECT CODE YWHIT  DATE STARTED PLANNED COMPLETION DATE  LEVEL OF EFFORT(Professional Man Days)	DISTRIBUTION CONTRACT FILE LIBRARY FILE NEW JERSEY INPUT LTD. Originator
TOTAL CONTRACT VALUE: \$ or b \$12,000	- "- %- J-
REVENUE DISTRIBUTION (% or \$) INPUT US INPUT LTD	
REIMBURSABLE EXPENSES: NO	SHEILA (Y&Z onl
YES TO COVER: TRAV: TELE: RPT. PREP.: OTHER:	Date Typed
BILLING SCHEDULE DESCRIPTION	,
PROJECT DESCRIPTION	
INDICATE TYPE OF WORK: REPORT PRESENTATION THANK YOU PACKAGE: YES NO	
ACCOUNTING USE ONLY: ENTERED ON CURRENT PROJECT LIST	

PROJECT SCHEDULE (Q3-1992) INPUT\* \*Corporate Week \*\*Ending Date †Working Days; () UK JULY AUGUST SEPTEMBER 27\* 28 29 30 31 32 33 34 35 Activity Factor ESDs 36 37 38 39 7/3\*\* 7/10 7/17 7/24 7/31 8/7 8/14 8/21 8/28 Days 9/4 9/11 9/18 9/25 4(5)† 5(4) 4(5) 5 TOTAL PLAN SR. **TOTAL PLAN RA** PLG 300/03 10/91(R) **TOTAL PLAN ESDs** TOTAL SPENT SR.



PROJECT SCHEDULE (Q4-1991)

\*Corporate Week \*\*Ending Date †Working Days; ( ) UK

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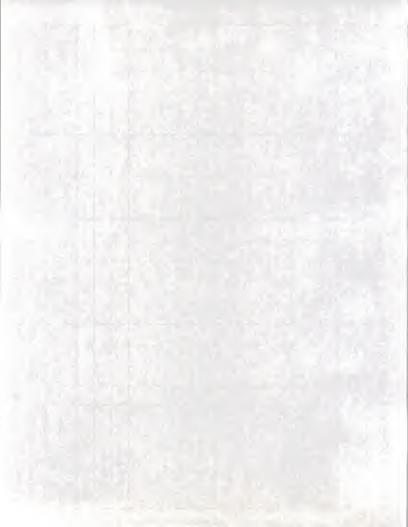
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Activity/Proj. Name: \_\_\_\_\_ Date: Prepared by: \_\_

Page \_\_\_\_\_ of \_\_\_\_

INPUT \*



INPUT Page 182 CONFIDENTIAL—Property of INP CONTACT REPORT Contact Date: 08/04/92 steel Init uninhan | INPUT office Declient Office | Other Date Written: - /.. DISTRIBUTION: Prog./Proj. ID Supriyo Sen Action Info. By When Vice President Marketing and Describe Action-F/U Competitive Analysis CUSTOM PROJECT Hitachi Data Systems 750 Central Expressway Hill F/w if no would by Post Office Box 54996 00/12/92 Santa Clara, CA 95056.0996 Curry he -Telephone 408 970 4889 mul lut (both nams) · CUSTOM PROJECT TO DECOORDINATED BY UNTRINO SEN, UP (408) 970-4889 - Point Decom will be Sally Stanton, who is also suggesting all recevices. She is to call M. Him win one week · Subject: Pricing. Reed to compare Actachi seelling prices with selling paries of competition. Orwantly only getting this information from field sales force. Reed this information for enjorate headquarters in Juguer Chedibility same in part 7 real objective, outside data + analyses. · Appproach: Seeies of telephone interviews with both bilding groups thetalihave approached - those where they we won the contract + those when their or lost it. (May bed 100 major deals a month & win 20 ,) Evagor secusto want a rendiscount. · Oppoul wil be staged; egg, start with a pilot in august sight trieframe need to interview were then one person per corpory (maybe one on the I.S. side - pot recognity the CEO, maybe the culinten person ) + one on the finiscial side Querrion to be kept single + key, Maybe do region. Second stays offer pilot to steet in october · Peter suggested including Comedo with U.S. Dovom for Fungue as · Project to be repeated every few months. Feeling do a proceedation in Japan post-results ( after pilot & 13T ret of intermedia) · O roject school include cinterview, analysis + Recommendations · May or may not want to ileatify HOS as sponon to perhaps does of those when bed has been won; perhaps not when bid her been lost · HOS will need some identification of interview congle. purhages □ Continued ove nnamy ast size , etc FOR credibilit . PAC emphasized importance of clear Definition up FRANT due to MAS 30001 891 (R) FIXED PRICE DAJES.

## **INPUT**

# CONTACT REPORT

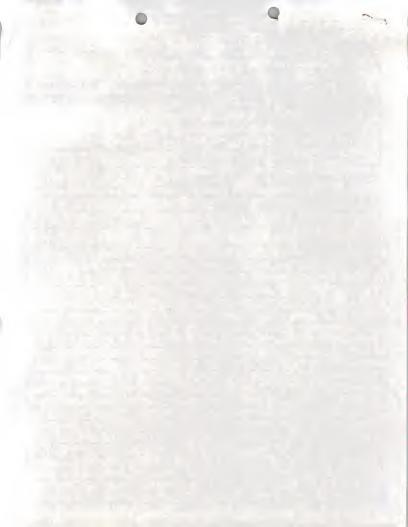
	Page	29	2
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INPUT Staff: Init. Heir Init. Campber | INPUT office | Greent Office | Other

Contact Date: 08/04/92

Date Written: 1. 1 .. 1 4 DISTRIBUTION: Prog./Proj. ID John D. Staedke Action | Info. Executive Vice President, Marketing By When Describe Action-F/U Hitachi Data Systems 750 Central Expressway MS 32/02 Post Office Box 54996 Santa Clara, CA 95056,0996 Telephone 408.970 4317 Fax 408 988 0651 and if they are seeing weights in pricing for technical expents they are the use of countrals in huyers reaking choices analysis cito two reports catagones pour grouda

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CONTACT REPORT	Company Hotach
	Name



#### CONTACT REPORT

COMPANY: HITACHT

NAME: Ms. Sallay Statton

TITLE: ADDRESS: INIT: RDW

RELATING TO: YWHIT

CONTACT: 9/11/92 WRITTEN: 9/11/92

TYPE: Telephone REASON: Research

PHONE: 408-970-1067

FAX: - -

DISTRIBUTION: Frazee

9/14/92 Review of questionnaire //

Meeting ToDo

Name Action Description (Include Date)

200 RANGE FOR COMMENTS: 9/11/92

9/11/92 : Left Sally a message indicating that we had been working with our orignal shot at the questionnaire and had incorporated some o her suggestions, but that we needed to either conference call or get together to finalize the approach. Told her she could leave me a voic message about her availability.

MAIL LIST UPDATE:

